

EXHIBIT 69

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013****NOTE NO. "1" :****A. CORPORATE INFORMATION**

Air India Ltd represents the merged company which came into existence consequent upon the amalgamation of erstwhile Indian Airlines Ltd and erstwhile Air India Ltd as on 1st April 2007. The amalgamated company was known as National Aviation Company of India Limited (NACIL). The name of the company was changed to "Air India Ltd." w.e.f 24/11/2010. The company provides domestic and international air transport services within India as also across the globe. The aircraft fleet of the company consists of a wide range of aircraft mainly comprising of Airbus and Boeing aircraft such as A-319, A-320, A-321, A-330, B-747, B-777 and B-787. The Airline Industry has generally been affected by economic slowdown coupled with high fuel cost. The company has during the financial year 2011-12 adopted/ implemented a Turnaround Plan (TAP) and a Financial Restructuring Plan (FRP) to improve its operational and financial performance.

During the year the Company has implemented SAP-ERP system of accounting. The accounts of the company for both wide body and narrow body operations were maintained separately till the date of migration and in SAP-ERP effective Jan 2013.

B. ACCOUNTING CONVENTION

- i) These Financial Statements have been prepared on going concern concept on accrual basis (except as specifically stated) under historical cost convention, and are in compliance with generally accepted accounting principles and the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- ii) The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which results are known / materialized.
- iii) The Company being in service sector, there is no specific operating cycle, 12 months period has been adopted as "the Operating Cycle" in-terms of the provisions of Revised Schedule VI to the Companies Act 1956.

C. SIGNIFICANT ACCOUNTING POLICIES**1. FIXED ASSETS**

- i)
 - a) Aircraft are stated at purchase price.
 - b) Other assets, including Aircraft Rotables, are capitalized and stated at historical cost.
 - c) Other incidental costs including interest wherever applicable, are also capitalized up to the date of commercial operation.
- ii) Expenditure on major modernization/modification/conversion of aircraft, resulting in increased efficiency/ economic life, is capitalized.
- iii) Aircraft Fleet and Equipment under leases, in respect of which substantially all the risks and rewards of ownership are transferred to the Company, are considered as Finance Leases and are capitalized.
- iv) Physical Verification of Assets

Physical Verification of Assets is done on a rotational basis so that every asset is verified once in every two years and the discrepancies observed in the course of the verification are adjusted in the year in which report is submitted.



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NOTE "2" : SHARE CAPITAL

(Rupees in Million)

Particulars	As at March 31, 2013	As at March 31, 2012
AUTHORISED		
11,000.0 Million Equity Shares of Rs.10 each (Previous Year : 3,500.0 Million Equity Shares)	110,000.0	35,000.0
NIL Preference Shares of Rs.100 each (Previous Year : 750.0 Million Preference Shares)	-	75,000.0
TOTAL	110,000.0	110,000.0
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES		
9,345.0 Million Equity Shares of Rs. 10 each (Previous Year : 3,345.0 Million Equity Shares)	93,450.0	33,450.0
TOTAL	93,450.0	33,450.0

- 2.1** The Company is a Government Company with 100% share held by President of India and his nominees, through administrative control of Ministry of Civil Aviation.
- 2.2** Off the above, 144.95 Million equity shares were issued during the year 2007-08 pursuant to Amalgamation
- 2.3** Reconciliation of number of shares outstanding at the beginning and end of the reporting period are given below:

Particulars	(Number of Shares in Million)		(Share Value Rupees in Million)	
	2012-13	2011-12	2012-13	2011-12
Equity Shares at the beginning of the period	3,345.0	2,145.0	33,450.0	21,450.0
Add : Equity Shares Allotted during the period	6,000.0	1,200.0	60,000.0	12,000.0
Equity Shares at the end of the period	9,345.0	3,345.0	93,450.0	33,450.0

- 2.4** During the year the Company has converted 750.0 Million preference shares of Rs. 100/- each to 7,500.0 Million equity shares of Rs.10/- each ranking pari-passu with the existing equity shares, which has been approved by the Shareholders in the Extra Ordinary General Meeting held on 30th April 2012.

2.5 Term/rights attached to equity shares

The company has single class of share capital i.e. Equity Shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



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NOTE “3” : RESERVES AND SURPLUS

(Rupees in Million)

Particulars	As at March 31, 2013	As at March 31, 2012
1. CAPITAL RESERVE		
Balance as per Last Balance Sheet	1,258.3	804.7
Add : Additions during the year	-	489.2
Less : Transfer to the Statement of Profit and Loss as reduction from Depreciation (Refer Note 21)	55.7	35.6
Closing Balance	1,202.6	1,258.3
2. SURPLUS / (DEFICIT) in the Statement of Profit & Loss		
Balance as per last financial statements	(199,140.0)	(123,542.6)
Loss for the year	(54,901.6)	(75,597.4)
Net deficit in the Statement of Profit & Loss	(254,041.6)	(199,140.0)
TOTAL (1+2)	(252,839.0)	(197,881.7)

3.1 Fixed Assets includes cost of B-777 and B-787 simulator and Nagpur MRO Land received from Boeing has been credited to Capital Reserve. The proportionate depreciation provided on the amount credited, has been charged to Capital Reserve.

NOTE “4” : LONG TERM BORROWINGS

(Rupees in Million)

Particulars	Non-Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
I Bonds / Debentures	136,000.0	62,000.0	-	-
II Term Loans				
a) from Banks (Secured)	123,912.5	114,598.2	1,302.2	-
b) from Banks (Unsecured)	3,749.2	4,226.2	890.6	6,768.2
c) from Other Parties (Secured)	-	-	-	144.0
d) from Other Parties (Unsecured)	217.3	211.7	8.6	8.0
III Finance Lease Obligations	117,796.4	125,184.4	15,778.7	15,501.4
TOTAL	381,675.4	306,220.5	17,980.1	22,421.6

4.1 Bonds/Debentures

136,000 Redeemable, Unsecured Non-convertible Debentures of face value of Rs.1 Million each (Previous Year : 62,000 Debentures), are guaranteed by Government of India. Maturity Profile and Rate of interest are as set out below :

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(Rupees in Million)

Period of Maturity	No of instalments as at March 31, 2013	Amount Payable on Redemption	Rate of Interest	Amount of instalments due as at March 31, 2013
Dec-2031	NA	4,714.0	9.08%	NIL
Nov-2031	NA	10,086.0	9.08%	NIL
Sep-2031	NA	15,000.0	10.05%	NIL
Dec-2030	NA	4,714.0	9.08%	NIL
Nov-2030	NA	10,086.0	9.08%	NIL
Dec-2029	NA	4,714.0	9.08%	NIL
Nov-2029	NA	10,086.0	9.08%	NIL
Dec-2028	NA	4,714.0	9.08%	NIL
Nov-2028	NA	10,086.0	9.08%	NIL
Dec-2027	NA	4,714.0	9.08%	NIL
Nov-2027	NA	10,086.0	9.08%	NIL
Sep-2026	NA	40,000.0	9.84%	NIL
Mar-2020	NA	7,000.0	9.13%	NIL
TOTAL		136,000.0		

4.2 Details of restructured Secured Term Loans from Banks are as under :

(Rupees in Million)

Sr. No.	Restructuring Lender	As at 31.03.2013	As at 31.03.2012
1	Allahabad Bank	2,906.9	2,664.2
2	Andhra Bank	3,513.0	3,201.6
3	Bank of Baroda	13,089.9	11,989.0
4	Bank of India	15,768.0	14,279.0
5	Canara Bank	8,532.8	7,819.5
6	Central Bank of India	9,302.8	8,525.5
7	Corporation Bank	7,565.1	6,928.9
8	Dena Bank	1,377.5	1,252.2
9	The Federal Bank Limited	1,850.6	1,647.2
10	IDBI Bank Limited	4,360.5	3,996.3
11	Indian Bank	4,356.2	3,991.0
12	Indian Overseas Bank	7,109.4	6,556.2
13	Oriental Bank of Commerce	8,891.9	8,152.5
14	Punjab National Bank	12,252.4	11,311.5
15	Punjab & Sind Bank	2,760.6	2,531.0
16	State Bank of India	6,731.6	6,165.0
17	Syndicate Bank	6,409.8	5,861.3
18	UCO Bank	5,814.1	5,328.5
19	United Bank of India	2,621.6	2,397.8
TOTAL		125,214.7	114,598.2

All Term Loans from above Banks are secured by following 28 aircrafts and 12 immovable properties and all Current Assets (Previous Year 29 aircrafts, 12 immovable properties and all Current Assets). However equitable mortgage for 12 immovable properties with banks are yet to be created :

Aircrafts :-

1) A310-F/VT-EQT	2) A319/VT-SCP	3) A319/VT-SCQ	4) A319/VT-SCR	5) A319/VT-SCS	6) A319/VT-SCT
7) A319/VT-SCU	8) A319/VT-SCV	9) A319/VT-SCW	10) A319/VT-SCX	11) A320/VT-ESA	12) A320/VT-ESC
13) A320/VT-ESD	14) A320/VT-ESE	15) A320/VT-ESF	16) A320/VT-ESG	17) A320/VT-ESI	18) A320/VT-ESJ
19) A320/VT-ESK	20) A320/VT-ESL	21) A320/VT-EDC	22) A321/VT-PPN	23) A321/VT-PPO	24) A321/VT-PPQ
25) A321/VT-PPV	26) A321/VT-PPW	27) A321/VT-PPX	28) B787-800/VT-ANH.		

Immovable Properties :

- 1) Building at Old Airport, Kalina, Mumbai
- 2) Air India Building, Nariman Point, Mumbai
- 3) Land at CIDCO Plot, Nerul, Navi Mumbai



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- 4) Building at NITC, Santacruz, Mumbai
- 5) Land at Baba Kharak Singh Marg, New Delhi
- 6) Staff Quarters - Vasant Vihar, New Delhi
- 7) Freehold land and Residential flats at Palavanthangal Village & IA Staff Housing Colony, Chennai
- 8) Unit No. 264, 297, 310, 489, 631, 678, 684, 714, Asiad Village Complex, New Delhi
- 9) Land at DLF, Qutab Enclave, Phase-III, Gurgaon, Haryana
- 10) Airlines House, 113, Gurudwara Rakabganj Road, Delhi
- 11) Freehold Vacant No. 504, Annasalai / Teynampet, Chennai
- 12) Freehold Land (CTE Complex) and Buildings, Hyderabad

For all Secured Term Loans from Banks, interest rate is linked to respective Bank's Prime Lending Rate / Base Rate / Libor plus Margin. These loans are repayable in Quarterly Instalments starting from 31st December 2013 and-ending in 30th September 2026. Disclosure as regards amount of repayment instalment and rate of interest are not made due to complexity of repayment schedules and confidentiality clause with the banks as regards interest rate.

- 4.3 Overdue interest payment on Secured Term Loans from Banks as on 31st March 2013 is Rs. 52.1 Million (Previous Year : Rs.NIL Million).

- 4.4 Unsecured Term Loan from Banks of Rs.4,639.8 Million (Previous Year Rs.10,994.4 Million) are guaranteed by the Government of India to the extent of Rs.3,749.2 Million (Previous Year Rs.3,513.7 Million)

(Rupees in Million)

Period of Maturity	No of Loan instalments	Amount of Loan as at March 31, 2013	Rate of Interest	Amount of instalments due as at March 31, 2013	Amount of interest due as at March 31, 2013	Amount of instalments due as at March 31, 2012	Amount of interest due as at March 31, 2012
Sep-16	NA	3749.2	Libor + 1.45 /2.5	NIL	NIL	NIL	NIL
Feb-14	5	890.6	BPLR - 0.50	178.1	11.1	178.1	66.3

- 4.5 Secured Term Loan from Others of Rs.NIL Million (Previous Year Rs.144.0 Million) are secured by Hypothecation of SAP related Hardware & Software.

- 4.6 Unsecured Term Loan from Others of Rs.225.9 Million (Previous Year Rs.219.8 Million) are guaranteed by the Government of India to the extent of Rs.225.9 Million (Previous Year Rs.219.8 Million)

(Rupees in Million)

Period of Maturity	No of Loan instalments	Amount of Loan as at March 31, 2013	Rate of Interest	Amount of instalments due as at March 31, 2013
Oct-2039	52	155.1	Interest Free	NIL
Mar-2037	48	70.8	Interest Free	NIL

- 4.7 Finance Lease Obligations of Rs.133,575.1 Million (Previous Year Rs.140,685.8 Million) are guaranteed by the Government of India to the extent of Rs.109,678.4 Million (Previous Year Rs.95,955.1 Million)

(Rupees in Million)

Period of Maturity	No of Loan instalments	Amount of Loan as at March 31, 2013	Rate of Interest	Amount of instalments due as at March 31, 2013
Jul-22	74	17,254.4	Libor + 0.24	NIL
Sep-21	102	34,809.2	Libor + 0.93	NIL
Feb-21	32	23,387.0	Libor + 0.75	NIL
May-20	57	12,079.2	Libor - 0.05	NIL
Dec-19	107	28,056.1	Fixed	NIL
Dec-19	27	17,989.2	Libor + 0.75	NIL

- 4.8 Current maturities of long term borrowings have been grouped under the head Other Current Liabilities (Refer Note No.5)